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ACTION NODS-00

C17/19 005331 NOD619

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FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC IMMEDIATE 2998
INFO AMEMBASSY JIDDA PRIORITY

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CORRECTED COPY (TEXT PARA-3)

E.O. 12356: DECL: OADR
TAGS: PREL, EAID, EFIN, SA, SY
SUBJECT: STATUS OF ARAB FINANCIAL SUPPORT FOR SYRIA

REF: JIDDA 6053

1. SECRET - ENTIRE TEXT.

2. RECENT REPORTS THAT SAUDI ARABIA, AND OTHER GULF
AID DONORS, WERE BRINGING FINANCIAL PRESSURES TO BEAR ON
SYRIA ARE NOT SUPPORTED BY INFORMATION OBTAINED FROM
SYRIAN CENTRAL BANK, RECOGNIZING THAT SAUDI AID TO SYRIA
IS NOT LIMITED TO 1978 BAGHDAD SUMMIT AGREEMENT SUBVEN-
TIONS, THE KINGDOM'S PROMPT PAYMENT OF THE TWO BAGHDAD
PAYMENTS DUE SO FAR THIS YEAR SUGGESTS THAT FINANCIAL
"PRESSURES" DERIVE FROM POLITICALLY OR ECONOMICALLY
INDUCED RELUCTANCE TO CONTRIBUTE MORE, RATHER THAN
RENEGING ON PAST COMMITMENTS.

3. REPORTS WE BELIEVE RELIABLE INDICATE 1983 SARG
RECEIPTS OF BAGHDAD SUBVENTIONS ARE AS FOLLOWS:



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DONOR	ANNUAL COMMITMENT (MILLIONS OF DOLS)	1ST TRANCHE (JAN)	2ND TRANCHE (MAY)	3RD TRANCHE (SEP)
SAUDI	530	176	176	--
- ARABIA				
KUWAIT	290	96	--	--
UAE	210	70	--	--
QATAR	120	--	--	--
LIBYA	290	--	--	--
ALGERIA	130	--	--	--
IRAQ	275	--	--	--
- TOTAL	1845	342	176	0

- TOTAL RECEIVED TO DATE: USDOLS 518 MILLION

CENTRAL BANK DOES NOT EXPECT TO RECEIVE ANY PAYMENTS FROM LIBYA, ALGERIA AND IRAQ. QATAR, UAE AND KUWAIT ARE EXPECTED TO MEET THEIR OBLIGATIONS ALBEIT BELATEDLY.

4. ACTION RECOMMENDED: WE HAVE BEEN TOLD BY VISITING U.S. BANKING INDUSTRY SOURCES THAT SAUDI ARABIA, AND POSSIBLY OTHER GULF DONORS, HAVE IN THE PAST MADE REGULAR PAYMENTS, USUALLY IN INCREMENTS OF U.S. DOLS 100 MILLION, TO SYRIA SUPPLEMENTAL TO THOSE CALLED FOR BY BAGHDAD AGREEMENT. (SEE, FOR EXAMPLE, DAMASCUS 4111 FOR INFORMATION PROVIDED BY A LONDON-BASED CHASE MANHATTAN OFFICER IN LATE MAY.) IN ADDITION, IRREGULAR PAYMENTS OF VARYING AMOUNTS HAVE BEEN NOTED. IF DEPARTMENT IS ABLE TO PROVIDE ADDITIONAL INFORMATION ON THESE EXTRAORDINARY TRANSFERS, PARTICULARLY ANY OCCURRING WITHIN THE LAST YEAR, KE WOULD BE MOST APPRECIATIVE. GLASPIE